

# C. & O. BONDS LIKELY TO HAVE CONVERSION VALUE

## C. & O. RAILROAD HAS LARGE EARNING POWER

Despite Failure to Pass Semi-Annual Dividend Bonds Have Conversion Value.

**REPORTED INCOME RECEIVED**

If Income Accrued Had Been Given Result Would Have Been Addition to Returns on Stock Shares Thirty Days in Which to Convert.

Despite the fact that the Chesapeake and Ohio Railway has deferred declaration of its semi-annual dividend of 25 per cent the company's convertible 5 per cent bonds of 1941 seem to be in a better position than convertible issues of railroads to profit by their conversion privilege. Of this issue, \$10,150,000 is authorized and outstanding and it is part of a total debt of \$198,000,000, or at the rate of \$88,800 a mile on the 2,228 miles owned. Unlike a good many railroad convertible notes, these bonds are secured collateral by the deposit of \$15,820,000, or 114 per cent of the company's first lien improvement stock of 1926.

The 5s of 1941 are convertible into stock at \$5 to April 1, 1922; at \$6 to April 1, 1926, and at par to April 1, 1936. If the bonds are called for redemption holders have thirty days in which to convert.

At the present price of \$2, the bonds are selling on an investment basis, the flat return of 6 per cent and the net yield of 6 1/2 per cent being justified by their rating. The present conversion parity for the stock would be about 68, or about seventeen points above the selling price. However, the stock sold around 65 prior to the deferment of the dividend, while the bond, on account of the greater security offered, will keep a few points ahead of its convertible parity.

Company's Largest Earning Power. Chesapeake and Ohio has been a large earner for several years, some of which have been very trying years for the roads as a whole. Its standard return, based on average results in the three-year test period, was more than twice the dividend requirement. During Federal control, the property made a much better showing in 1918 than in 1919, but the average results were far more favorable than the government obtained from all railway operations.

In common with a number of other companies, Chesapeake and Ohio reported for 1920 on the basis of income received rather than income accrued. Although it accrued the six months' guarantee, the company took the net operating income of this period, plus payments on account of the difference between the guarantee and operating net, as the full net for the period.

On this basis of accounting, Chesapeake and Ohio earned in 1920 \$9.55 a share on its stock, but had it assumed the guarantee as income, irrespective of operating net, for the period from March 1 to August 31, the result would have been \$13.75 on the stock, or nearly 3 1/2 times the dividend requirement.

**Difference Must Be Taken Up.** This difference must be taken up when the government makes final settlement and the item alone is more than equal to a year's dividend on the stock.

In the early months of 1921 operating results were not favorable, and the dividend was deferred in May, but in that month and in June was much better. For the six months ended June 30, net operating income was \$5,641,319, more than enough to cover charges and a much better showing than was made by the roads at large. Of the six months' net, nearly 40 per cent was earned in June, continuation of the June rate of earnings is not to be expected throughout the remainder of the year, but if the recent improvement is held only in part there will be a generous surplus for the stock. It is possible, too,

## AMERICANS AWARDED BIG FOREIGN CONTRACT

New Work Concern Outfits European Hydraulics for Huge Australian Job. Work Starts Soon.

A contract totalling approximately 75,000 pounds sterling, plus freight, was recently awarded to Miliken Brothers, of New York, according to the announcement by the electricity commissioners of Melbourne, Australia. It covers the erection of a 112-mile line bringing high tension power from Victoria Falls, Australia, to Melbourne, and includes a total of 524 steel towers to carry a current of 12,000 volts.

The American firm, pioneers in steel tower construction, and builders of seventy per cent of all such work done in the United States, was given the contract only after keen competition reminiscent of days before the war. German, British and Australian companies all submitted bids. The line is a State enterprise, the power to be sold for manufacturing purposes near Melbourne.

One of the vice-presidents of Miliken Brothers is already en route to Melbourne to start the work. His company reports work under way in Africa, and Norway, among other foreign countries.

## CONSTRUCTION IN U. S. INCREASES IN JULY

Gain of 11 Per Cent in Forty-One Cities—Southern Towns Active.

Building construction in forty-one cities of the United States showed a gain of 11 per cent in July over July of 1920, according to statistics compiled by the American Contractor. Although building in Richmond showed a sharp decline in the volume of business a larger number of permits were issued. During the month 213 permits to build were issued as compared with 110 permits in the corresponding month of last year. The total for which the permits were issued was \$189,220 this July as compared with \$167,752 last July.

Southern cities generally showed gains during the month. Birmingham reported a gain of 13 per cent, Jacksonville a gain of 28 per cent, Atlanta a gain of 25 per cent, Louisville a gain of 20 per cent, and New Orleans a gain of 40 per cent.

The light system came under discussion and a method whereby the city could economize on the light bill was presented and an order was also placed for a carload of water pipes for the city mains.

## LAUNCH MOVEMENT TO ERECT BEACH HOTEL

Will Start Selling Subscriptions to Stock for Princess Anne Hotel and Rest Resort.

NORFOLK, VA., Aug. 27.—Within the next few days a movement will be launched to secure stock subscriptions to a company formed for the purpose of erecting a million dollar resort hotel at Virginia Beach.

A charter for the Princess Anne Hotel and Rest Resort, Incorporated, has been secured and a holding company formed to develop the stock. The hotel company has an authorized capital stock of \$1,000,000, but a greater sum than that may be spent on the project.

The holding company, which has been chartered as the Hampton Roads Industrial Corporation, has a paid in capital of \$50,000 and owns the site near the Lake Station on which the old Virginia Beach Hotel is now standing.

that a settlement on account of 1920 will be reached with the government this year, in which case other income amounting to more than \$4 a share on the stock would have to be added to operating net.

All these considerations seem to suggest the likelihood that time is not far distant when dividends will be paid currently, in which case the convertible 5s will move up with the present price, paying nothing for the speculative possibilities, with the bond selling on an investment basis.

## PLENTIFUL SUPPLY OF APARTMENTS HERE

Realtors Say Owners' Failure to Reduce Rents Will Leave Many Vacancies.

That there will be no great dearth of apartment houses of the smaller variety in Richmond following moving day, September 1, is vouched for by several of the most prominent realtors in the city. They are authorities for the statement that in some of the larger apartment houses in the West End there are from 20 to 25 per cent of the apartments with "for rent" signs still hanging out, and say that unless there is a reduction in rents there is little hope of securing tenants.

The manager of one of the most prominent real estate firms in the city stated that while in some of the apartment buildings there are no vacant apartments, it is because the owners have realized the necessity for keeping the rents down and have made no great increase this year. Other owners, it was said, have insisted on a large increase, and it is for this reason that many of the apartments are still unrented.

The same realtors stated that, contrary to the general opinion, there will be few houses and flats for rent after September 1. Many people are making arrangements, they say, to store their furniture for a few weeks, hoping that by this time many of the houses that are now for sale will be rented by the owners. This will not be the case, as most of the rentable property is already rented, and very few others will be put on the market at this time.

## LACK OF WATER POWER IN FREDERICKSBURG

Water of Rappahannock Lower Than at Any Time in 70 Years.

FREDERICKSBURG, VA., Aug. 27.—The Rappahannock River is said to be lower at this point than it has been for about seventy years. The water is below the new dam of the Spotsylvania Power Company, and also lower than the old dam a short distance up the river. No water has been falling over the dam for several days, and a crucial time has arrived, when a large number of the industrial plants of Fredericksburg using electric current of the Spotsylvania Power Company have been forced to close down by the lack of adequate power.

Notice was served on the factories and plants using the Spotsylvania current of the immediate need of shutting down so as to conserve power for necessary and pressing purposes. Among the larger plants closed down were the Washington Wooden Mills, Klets Throwing Company's silk mill, Morganstern's shirt factory, Wood's mill, Roach's mill and others. The limited supply of "juice" is now going to the pumping station of the city water plant, the plant of the Creamery Company and the ice plants, which are deemed essential. The street are lights in the city will be darkened before midnight to aid in the effort to conserve electric current during the critical period.

At this time it is thought enough power will be forthcoming to light residences and business houses. It is said that no rainfall of any consequence has fallen in the upper Rappahannock country for the past eighty days, and the most serious and continued drought remembered by the old-time living inhabitants is now existing. It will take a continuing heavy rain to remedy the water shortage. Many springs and wells in this section have gone dry and a large number of inhabitants in the country are obliged to haul water from other wells and sources to their homes for daily consumption. Crabs have moved up the Rappahannock River as far as Hog Yard owing to the brackish condition of the water, which is the first time they have been seen up this far since 1858.

## SELL HAZELWOOD FARM ON TUESDAY

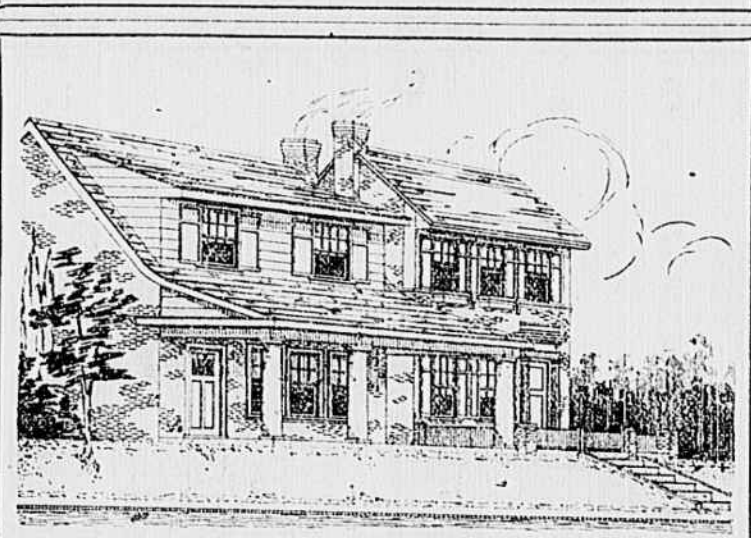
Historic Home of Colonel John Taylor in Caroline County to Change Hands.

Hazelwood farm, in Caroline County, formerly the home of John Taylor, who represented Virginia in the United States senate in the early days of the republic, will be sold Tuesday. The farm comprises 2,200 acres and is one of the most historic spots in Caroline County.

## North Richmond—Brick Special

Seven rooms and tiled bath, hot-water heat and hardwood floors; select location. Ready to move right in September 1st. The price and terms will certainly please you. Call us.

**ALLAN-SAVILLE & SNEAD INC.**  
"We Own Our Home—Do You?"  
No. 108 North Seventh Street Phone Randolph 3326



## Immediate Possession New Kensington Avenue Homes

Detached brick, 6 rooms, pantry, tiled bath with built-in tub, pedestal lavatory, hardwood floors, hot-water heat, fully equipped kitchen, papered, shades, extra large porches, good-sized lot.

The most desirable location in West End. Prices right; terms reasonable. Phone Mad. 210 or 211 for particulars.

## Muhleman & Kayhoe

Builders of High-Class Homes  
108 NORTH NINTH STREET  
"It Pays to Buy a Muhleman & Kayhoe Home"

## NEW RECORD IS SET IN HANDLING GA. PEACHES

Southern Railway Moves 5,320 Cars to Markets of East and West on Time.

ATLANTA, GA., Aug. 27.—Every car on time was the record of the Southern Railway system in handling 5,320 cars of Georgia peaches to the markets of the East and West during the season just closed.

Peaches from South Georgia are concentrated at Atlanta from which the Southern handled 4,557 cars to the East, 362 northbound via Chattanooga, Louisville and Cincinnati; twenty-nine to the West via Birmingham, and eight to Florida via Clearwater, 344 sent East.

Each of these shipments moved to destination or connecting line on schedule time without delay or accident. This 100 per cent performance, which contributed greatly to the success of the peach growers this year, is attributed by Southern Railway officers to improved facilities, including the double-tracked line from Atlanta to Washington, and to the splendid morale of the operating forces.

Shipments of peaches from Georgia this year have broken all past records, the Bureau of Markets and Crop Estimates of the United States Department of Agriculture reporting 10,468 cars. A report of the bureau predicts that before many years 15,000 cars of peaches per year will be marketed from Georgia. The report concludes with a reference to the general satisfaction expressed by the trade with the manner in which the 1921 crop was handled by the railroads.

## FARMERS ADDRESSED BY GOVERNOR DAVIS

Declares They Must Get Together No As to Appreciate Their Needs.

(Special to The Times-Dispatch.) LYNCHBURG, VA., Aug. 27.—Governor Westmoreland Davis addressing a farmers meeting at Rustburg today, telling his audience of several hundred men, that this is the only way to cope with other combinations. He asserted that the people must get together, learn to appreciate their duty to their neighbors as individuals is no longer a virtue.

Chief Clerk Reed's summary of the operations of the Building Department shows a total value of \$155,000 in permits issued this week for new work and repairs. Of this amount, \$148,955 is for new construction and \$16,045 for alterations and repairs.

## EXPORT OF WHEAT INCREASES IN JULY

While Reduction in Value Is Shown Volume Is Larger This Year.

WASHINGTON, Aug. 27.—While the country's foreign trade during July showed a reduction in value, the volume was not so bad as these figures would indicate when the volume of exports and imports is considered, according to Secretary Hoover.

"In considering the comparative figures on exports and imports," Mr. Hoover said, "the very great fall in prices must be taken into account. The monetary value of foreign trade no longer indicates its real comparative volume. For instance, the exports of wheat and its products actually increased in July this year, over July last year."

Exports to Europe during July amounted to \$180,000,000, compared with \$210,000,000 in the same month last year, while for the seven months ending with July the total was \$1,173,000,000 against \$2,692,000,000 during the corresponding months of 1920. Imports from Europe during the month aggregated \$57,000,000, against \$115,000,000 during July, 1920, while for the seven months period they totaled \$1,335,000,000 as compared with \$745,000,000 during the same months of 1920.

Exports to South America during July aggregated \$16,000,000 against \$14,000,000 in July, a year ago, and for the first seven months of the year the total was \$201,000,000 against \$321,000,000 during the corresponding period of 1920.

Imports from South America aggregated \$20,000,000 in July against \$73,000,000 in July of last year, and for the seven months the total was \$153,000,000 against \$512,000,000 during the first seven months of 1920.

## ROLAND PARK

MOSS-SIDE AVE. POSSESSION AT ONCE

Seven-room brick houses, oak floors downstairs, living-room 15x25, built-in refrigerator, gas stove, etc. Four bedrooms, rift pine floors on second floor, tiled bath, built-in tub, shower, bath, plenty of closets, double flooring on both first and second floors.

If you wish something in the northern suburbs, see these before buying. The price is \$10,250.00.

**WM. M. MILLER & CO., Inc.**  
123 North Eighth Street Randolph 3451

## REAL HOME BARGAINS

Last call for possession on September 1st. You can move at once, or if signed up sublease.

### Patterson Avenue \$10,500

Beautiful six-room detached house in fine order. Very easy terms.

### Fendall Avenue

Six rooms and attic, large lot and close to car line; new and attractive. Small cash payment and balance like rent.

### Laburnum Court

Eight rooms and central heating plant, garage and a beautiful lot with Southern exposure. This property is offered at a great sacrifice.

### North Richmond Terrace

Several beautiful homes at reduced prices. Easy terms and immediate possession. Your rent money will purchase one of these homes.

### Ginter Park

Very attractive home on Hawthorne Avenue containing nine rooms at a bargain price. Owner moving out of the State and must sell at once.

Seminary Avenue home containing eight rooms, large sleeping porch, double garage.  
Moss-Side Avenue, eight-room stucco, modern. An attractive home at only \$10,500. \$500 cash, balance \$100 per month.  
\$12,500 will buy beautiful corner home, seven rooms, three baths. Possession October 1st.  
RYLAND REALTY COMPANY.  
807-808 American Bank Building

## TWO FAMILY FLATS ON GROVE AVENUE

Seven rooms on first floor and 8 on second; separate entrances and hot-water heating systems. All rooms large and bright. One flat rented at \$75.00 per month; possession of other can be had. Only \$2,500.00 cash and balance on easy terms will handle this proposition. Live in one flat and the other will help you pay for it, or it will make a splendid investment with both flats rented out.

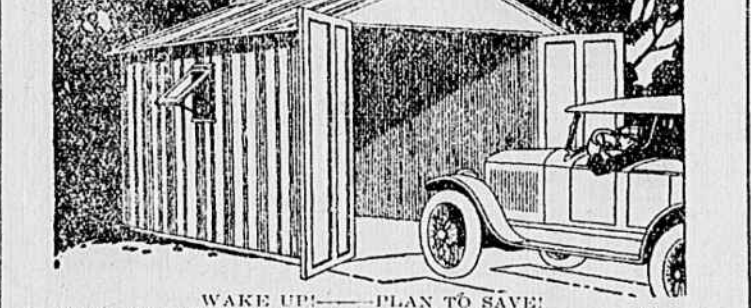
**ALLAN-SAVILLE & SNEAD INC.**  
"We Own Our Home—Do You?"  
108 North Seventh Street Phone Randolph 3326

## WHY PAY GARAGE RENT

WAKE UP!—PLAN TO SAVE!  
If you give the matter just a moment's thought you will eliminate the dead expense of renting a garage and actually save money by OWNING YOUR OWN QUIET, ALL-STEEL GARAGE.

## EARNEST BROS.

815 East Franklin Street Madison 6160



## Stuart Avenue



These modern and up-to-date Homes for sale on easy terms. See us at once if you are looking for a September home.

## Davis Brothers, Inc.

Boulevard 732—Boulevard 1318